

Message Text

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62

ACTION COME-00

INFO OCT-01 AF-10 EUR-25 ADP-00 EB-11 FPC-01 TRSE-00

SCEM-02 INT-08 XMB-07 OPIC-12 AID-20 CIAE-00 DODE-00

INR-10 NSAE-00 PA-03 RSC-01 USIA-12 PRS-01 L-03 RSR-01

/128 W

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R 041629 Z MAY 73

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 8691

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY ROME

USINT ALGIERS

AMCONSUL TRIESTE

AMCONSUL MUNICH

UNCLAS VIENNA 3679

DEPT PASS COMMERCE

EO: 11652: N/A

TAGS: BEXP, ENRG, AU, AG, XT

REF: VIENNA 3172, VIENNA 2769, VIENNA 2099.

1. AUSTRIA FERNGAS REPRESENTATIVES HAVE CONFIRMED PRESS REPORTS THAT A SUPPLY CONTRACT BETWEEN FERNGAS AND THE ALGERIAN COMPANY SONATRACH WAS SIGNED APRIL 28 IN MUNICH. FOLLOWING ADDITIONAL INFO IS FROM FERNGAS SOURCES:

2. WITH SIGNATURE OF THE AGREEMENT, FERNGAS HAS JOINED THE EUROPEAN BUYERS' CONSORTIUM SAGAPE WHICH NOW REPRESENTS 7 COMPANIES SITUATED IN 5 EUROPEAN COUNTRIES. OVERALL CONTRACT VOLUME AMOUNTS UNCLASSIFIED

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TO 310 BILLION CUBIC METERS, OR 15.5 BILLION CUBIC METERS P. A. FOR 20- YEAR PERIOD (REPRESENTING ABOUT 10 PERCENT OF RECOVERABLE ALGERIAN RESERVES PRESENTLY KNOWN).

3. LNG WILL BE SOLD FOB ALGERIAN PORT. THE FOB PRICE WAS NOT DISCLOSED BY FERNAS OFFICIALS BUT IS UNOFFICIALLY ESTIMATED AT ABOUT AS 0.60 (2.9 CENTS) PER CUBIC METER. A SLIDING SCALE PRICE CLAUSE IS PART OF THE CONTRACT.

4. ANOTHER CONTRACT PROVISION STIPULATES THAT BUYERS ARE TO FINANCE INSTALLATIONS REQUIRED FOR EXECUTION OF CONTRACT. CONTRACT PROVISION WILL ENABLE INDUSTRIES IN BUYER COUNTRIES TO EXPORT MATERIALS AND PLANTS TO ALGERIA PROVIDED THAT THESE INDUSTRIES ARE COMPETITIVE VIS- A- VIS INDUSTRIES OF THIRD COUNTRIES.

5. PRESENT SONATRACH PLANS INDICATE THAT GAS WILL BE LIQUIFIED AND EXPORTED FROM PORT OF ARZEW NEAR ORAN.

6. ALGERIAN GAS DESTINED FOR UNLOADING AT MONFALCONE WILL BE SHIPPED BY 4 SPECIAL VESSELS HAVING FACILITIES TO TRANSPORT LIQUIFIED GAS AT A TEMPERATURE OF MINUS 132 DEGREES CELSIUS.

7. ALGERIAN GAS EXPECTED TO BECOME AVAILABLE IN 1977, OR 1978 AT THE LATEST, HUMES

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*** Current Handling Restrictions *** n/a

*** Current Classification *** UNCLASSIFIED

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Decaption Note:
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Disposition Approved on Date:
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Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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30 JUN 2005

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Subject: N/A
TAGS: BEXP, ENRG, AG, AU, XT
To: ALGIERS
BERN
BONN
BRUSSELS
COME
MOSCOW
PARIS

ROME

SECSTATE WASHDC

Type: TE

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